

## **MINUTES OF MEETING OF THE CORPORATIONS COMMITTEE**

Friday, December 6, 2007

A regular meeting of the Corporations Committee (the "Committee") of the Business Law Section of the State Bar of California was held in Los Angeles, California at the Los Angeles Airport Marriott on Friday, December 6, 2007. Attendance was as follows:

### **MEMBERS PRESENT:**

Richard Burt\*  
W. Derrick Britt  
Nelson Crandall  
Edward A. Deibert  
Christopher Delfino  
Bruce Deming  
Samuel C. Dibble  
Sharon R. Flanagan\*  
Michael I. Froch  
Bryan Gadol\*  
Steven Harmon\*  
Jeffrey Hartlin  
David Hernand  
Nina Hong\*  
Barbara Mathews  
Mike Occhiolini\*  
David Serepca  
Rose Sorensen  
Jennifer Sostrin  
James J. Thompson  
Russ Wood

### **MEMBERS ABSENT:**

Charles Ortmeyer  
Anne Marie Peters

### **LIAISONS AND GUESTS PRESENT:**

Steven Hazen, Executive Committee  
Colleen Monahan, Department of Corporations\*  
Todd Vlaanderen, Secretary of State

\*Via Telephone

The minutes summarize discussion primarily in the order items were listed on the Agenda for the meeting previously circulated to members of the Committee, which is not necessarily the order in which the items were actually taken up at the meeting. The Committee did not take up those topics listed on the Agenda that are not described in these minutes.



## I. ADMINISTRATIVE MATTERS

1. Opening Remarks and announcements: The meeting was called to order by Co-Chairs Ms. Mathews and Mr. Delfino at 9:30 a.m. All members, liaisons and guests introduced themselves. Ms. Mathews announced that Peter Wardle resigned and that there is now a new opening on the Committee.

2. Introduction of New Members: Committee members and liaisons introduced themselves.

3. Approval of Minutes: Minutes of the November 2, 2007 meeting approved without comment.

## II. AGENCY AND LIAISON'S REPORTS

1. Securities and Exchange Commission: Ms. Tyson was unable to attend, but will continue her role as liaison to the Committee.

2. Department of Corporations: Ms. Monahan discussed the extension or certain comment periods to investment advisor proposals. Ms. Monahan will pdf proposals to certain Committee members.

3. Secretary of State: Mr. Vlaanderen reported.

4. Office of Governmental Affairs: No report.

5. BLS Committee Liaison Reports – Selection of New Liaisons:

A. ADR: Mr. Harmon reported. The ADR Committee is interested in working with our Committee going forward.

B. Cyberspace Law: Mr. Thompson reported. Last meeting of Cyberspace Law was devoted to administrative members, as well as upcoming conference.

C. Financial Institutions: Mr. Occhiolini reported.

D. Non-Profit Corporations: Mr. Hartlin reported that he will obtain minutes from today's meeting from the Non-Profit Corporations Committee meeting (date conflicts with Committee meeting).

E. Partnerships and LLCs: No report.

F. UCC: No report.

G. Agribusiness: Mr. Hazen reported that there is nothing to report.



H. Insolvency: No report.

I. Executive Committee: Mr. Hazen reported that the Committee will be meeting next week to discuss issues relating to the Hummingbird site. He also noted, among other matters, that the Board of Governors met and approved three proposed ALPs. He discussed SB 294 and commented that all two-year bills must be done in January. Deadline is January 25, 2008 and must pass Senate by January 31, 2008. Last day for submitting new legislation is February 22, 2008.

### III. SUBCOMMITTEE REPORTS

1. Legislation: Mr. Britt reported.

A. ALP re Code 1501 to facilitate e-proxies: Mr. Britt reported.

B. Potential ALP re: 301.5 and 25219: Mr. Hernand reported on proposed ALP: Motion to authorize subcommittee to move forward and approve ALP, with such changes as the subcommittee members deem necessary, approve letter and authorize subcommittee to make such other changes and take such further action as they deem necessary without further Committee approval in connection with ALP. Ms. Sorensen, Mr. Hernand and Mr. Britt comprise such subcommittee. Motion approved without opposition.

C. Potential ALP re: Close Corporations: Mr. Serepca and Mr. Wood reported. In person working meeting scheduled this January. Significant work/research/information gathering has been accomplished to date.

D. Potential ALP re Householding: Mr. Britt report that this is moving forward, with the goal of providing a more thorough report to the Committee this January.

E. Potential ALP re Spousal Consent: Mr. Crandall reported. Recommendation to form subcommittee to discuss further.

F. Potential ALP re Section 1101: On hold. Issues relating to ALP will be discussed in BLN Article currently being prepared by Mr. Dibble.

G. Legislation Update: Mr. Britt reported provided table summary of legislative matters.

E. SB 1007: To be removed from our monthly agenda.

2. Communications/ Website: Mr. Deibert reported.

A. Hummingbird Collaboration Site:



(i) Schedule Training Session: – Susan Orloff provided the following dates for upcoming training sessions: December 18 (10:30-11) and December 20 (2:30-3). Ms. Orloff will circulate materials.

(ii) Organization of Materials: – Discussion re location of meeting materials on Hummingbird site

B. Website Committee:

(i) Updated Roster and Meeting Schedule: – meeting to be scheduled

C. E-Bulletin Topics: Meeting to be scheduled.

(i) Misleading Minute Service:

(ii) E-Proxy ALP: On hold.

(iii) Comment Letters to Department of Corporations: Mr. Wood volunteered to prepare e-bulletin.

(iv) S. 186 Comment Letter on Attorney-Client Privilege:

(v) Other Topics:

3. Education/ Publications: Mr. Dibble reported on subcommittee progress. Goal to do 2-3 webinars during the upcoming year. Possible ethics program discussed. Other topics include choice of entity consideration, close corporation, personal liability for corporate officers and directors and corporate governance standards and variance amount jurisdictions, spousal consents, attorney client privilege, etc. Issue raised about whether programs should target lawyers vs. non-lawyers. Committee determined that our constituents are lawyers only. Mr. Hernand suggested other topics, including an overview of California securities law (by K. Bishop, if possible), California merger law, differences between California and Delaware law and 2115. Mr. Wood mentioned that his associate recently prepared a memo on California merger law which he can circulate to the Committee. Mr. Crandall volunteered to present on spousal consents. Mr. Dibble solicited other Committee members to get involved.

A. Education Subcommittee:

B. Publications/BLN Article:

C. Annual Meeting Program Topics (due 1/24/08):

D. Other Program Topics:

E. Publications/BLN Article (due 11/15/07):



F. BLN Legislative Review Article (due 1/15/08):

4. Corporate Law Report: No report.

5. Litigation: No report.

IV. ONGOING PROJECTS:

1. Section 2115 Project: Mr. Britt reported.

2. Business Entity Name Issues: Previously covered.

3. Comment Letter to Department of Corporations Regarding Proposed Regulations on Investment Advisors: Mr. Wood reported.

4. Privilege Issues:

A. ABA Task Force on Attorney Client Privilege: Mr. Froch volunteered to continue as a liaison.

B. Comment Letter on S. 186:

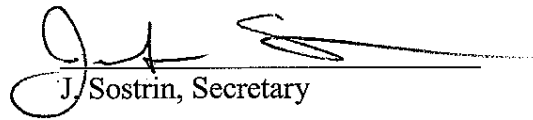
C. Office of Rural Legal Assistance: No update.

V. New Business: Next meeting scheduled for January 11 (not January 4).

1. North Dakota Publicly Traded Corporations Act: Mr. Wood reported.

2. Process for getting BLS and Board of Governors approval: To be discussed at next meeting.

Respectfully Submitted,

  
J. Sostrin, Secretary